

By

Cai

S.J.R. No. 43

SENATE

A JOINT RESOLUTION

proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. ^{Subsection (d)} Section 1-b(d), Article VIII, Texas Constitution, is amended to read as follows:

(d) Except as otherwise provided by this subsection, if a person receives the residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons sixty-five (65) years of age or older, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. If the person subsequently qualifies a different residence homestead for the exemption, the total annual amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes while that homestead remains the residence homestead of that person or that person's spouse who receives the exemption may not exceed the amount of those taxes that would have been imposed on that homestead in the first year in which the person receives the exemption for that homestead had the limitation on tax increases imposed by this subsection not been in effect, multiplied by a fraction the numerator of which is the total amount of those taxes imposed on the former homestead in the last year in which the

1 person received the exemption for that homestead and the
2 denominator of which is the total amount of those taxes that would
3 have been imposed on the former homestead in the last year in which
4 the person received the exemption for that homestead had the
5 limitation on tax increases imposed by this subsection not been in
6 effect. If the [a] person [~~sixty-five-(65)-years-of-age-or--older~~]
7 dies in a year in which the person received the exemption, the
8 total amount of ad valorem taxes imposed on the homestead for
9 general elementary and secondary public school purposes may not be
10 increased while it remains the residence homestead of that person's
11 surviving spouse if the spouse is fifty-five (55) years of age or
12 older at the time of the person's death, subject to any exceptions
13 provided by general law. However, taxes otherwise limited by this
14 subsection may be increased to the extent the value of the
15 homestead is increased by improvements other than repairs or
16 improvements made to comply with governmental requirements.

17 SECTION 2. This proposed constitutional amendment shall be
18 submitted to the voters at an election to be held on November 4,
19 1997. The ballot shall be printed to permit voting for or against
20 the proposition: "The constitutional amendment to provide for
21 transferring the school tax freeze for an elderly person from a
22 former homestead to a newly acquired homestead."

1-1 By: Cain

S.J.R. No. 43

1-2 (In the Senate - Filed March 14, 1997; March 24, 1997, read
1-3 first time and referred to Committee on Finance; April 2, 1997,
1-4 rereferred to Committee on State Affairs; April 11, 1997, reported
1-5 favorably by the following vote: Yeas 12, Nays 0; April 11, 1997,
1-6 sent to printer.)

1-7 SENATE JOINT RESOLUTION

1-8 proposing a constitutional amendment relating to transferring the
1-9 school tax freeze on homesteads of the elderly.

1-10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsection (d), Section 1-b, Article VIII, Texas
1-12 Constitution, is amended to read as follows:

1-13 (d) Except as otherwise provided by this subsection, if a
1-14 person receives the residence homestead exemption prescribed by
1-15 Subsection (c) of this section for homesteads of persons sixty-five
1-16 (65) years of age or older, the total amount of ad valorem taxes
1-17 imposed on that homestead for general elementary and secondary
1-18 public school purposes may not be increased while it remains the
1-19 residence homestead of that person or that person's spouse who
1-20 receives the exemption. If the person subsequently qualifies a
1-21 different residence homestead for the exemption, the total annual
1-22 amount of ad valorem taxes imposed on that homestead for general
1-23 elementary and secondary public school purposes while that
1-24 homestead remains the residence homestead of that person or that
1-25 person's spouse who receives the exemption may not exceed the
1-26 amount of those taxes that would have been imposed on that
1-27 homestead in the first year in which the person receives the
1-28 exemption for that homestead had the limitation on tax increases
1-29 imposed by this subsection not been in effect, multiplied by a
1-30 fraction the numerator of which is the total amount of those taxes
1-31 imposed on the former homestead in the last year in which the
1-32 person received the exemption for that homestead and the
1-33 denominator of which is the total amount of those taxes that would
1-34 have been imposed on the former homestead in the last year in which
1-35 the person received the exemption for that homestead had the
1-36 limitation on tax increases imposed by this subsection not been in
1-37 effect. If the [a] person [~~sixty-five-(65)-years-of-age-or--older~~]
1-38 dies in a year in which the person received the exemption, the
1-39 total amount of ad valorem taxes imposed on the homestead for
1-40 general elementary and secondary public school purposes may not be
1-41 increased while it remains the residence homestead of that person's
1-42 surviving spouse if the spouse is fifty-five (55) years of age or
1-43 older at the time of the person's death, subject to any exceptions
1-44 provided by general law. However, taxes otherwise limited by this
1-45 subsection may be increased to the extent the value of the
1-46 homestead is increased by improvements other than repairs or
1-47 improvements made to comply with governmental requirements.

1-48 SECTION 2. This proposed constitutional amendment shall be
1-49 submitted to the voters at an election to be held on November 4,
1-50 1997. The ballot shall be printed to permit voting for or against
1-51 the proposition: "The constitutional amendment to provide for
1-52 transferring the school tax freeze for an elderly person from a
1-53 former homestead to a newly acquired homestead."

1-54 * * * * *

FAVORABLE SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 43
 By Cain
(Author/Senate Sponsor)
4-11-97
(date)

We, your Committee on STATE AFFAIRS, to which was referred the attached measure, have on April 8, 1997, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- ☒ do pass and be printed
☐ do pass and be ordered not printed
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no
 A revised fiscal note was requested. ☐ yes ☒ no
 An actuarial analysis was requested. ☐ yes ☒ no
 Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Armbrister, Chair	X			
Senator Nixon, Vice-Chair	X			
Senator Cain	X			
Senator Carona	X			
Senator Ellis	X			
Senator Fraser	X			
Senator Gallegos	X			
Senator Galloway	X			
Senator Lindsay			X	
Senator Luna	X			
Senator Nelson	X			
Senator Shapiro	X			
Senator Whitmire	X			
TOTAL VOTES	12	0	1	0

COMMITTEE ACTION

S260 Considered in public hearing
S270 Testimony taken
Keely C. Gilbert
 COMMITTEE CLERK

CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
 Retain one copy of this form for Committee files

BILL ANALYSIS

Senate Research Center

S.J.R. 43
By: Cain
State Affairs
4-7-97
As Filed

DIGEST

Currently, a senior citizen who has an ad valorem property tax freeze for school taxes cannot carry that property tax freeze to a new homestead if the senior citizen moves. As a consequence, a senior citizen who moves from a tax-frozen homestead may only claim a property tax freeze on his or her new homestead at a current level. S.J.R. 43 allows senior citizens to transfer their school tax freeze to their new homestead.

PURPOSE

As proposed, S.J.R. 43 allows senior citizens to transfer their school tax freeze to their new homestead.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1-b(d), Article VIII, Texas Constitution, as follows:

(d) Prohibits the total amount of ad valorem taxes imposed on a homestead for general elementary and secondary public school purposes while that homestead remains the residence homestead of a person or a person's spouse who receives an exemption from exceeding a certain amount, if a person subsequently qualifies a different residence homestead for an exemption. Deletes a provision relating to a person 65 years of age or older.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 1997. Sets forth the required language for the ballot.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
75th Regular Session

April 8, 1997

To: Honorable Kenneth Armbrister, Chair
Committee on State Affairs
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 43
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Introduced

Implementing the provisions of the bill would result in a net impact of \$0 to General Revenue Related Funds through the biennium ending August 31, 1999.

The cost to the state for publication of the resolution is \$71,000.

Fiscal Analysis

The resolution would propose a constitutional amendment to allow persons 65 years of age or older to retain their school tax limitation (tax freeze) if the person were to acquire a different residence homestead. Under current law, a person acquiring another homestead loses the earlier tax limitation and must establish a new freeze amount.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
1998	\$0	\$0
1999	0	0
2000	0	(13,039,000)
2001	(13,039,000)	(12,248,000)
2002	(25,288,000)	(11,427,000)

Net Impact on General Revenue Related Funds:

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$0
1999	0
2000	0
2001	(13,039,000)
2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, JD, BR

April 22 19 97 Engrossed
Atatay L. L. L.
Engrossing Clerk

By: Cain

S.J.R. No. 43

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to transferring the
2 school tax freeze on homesteads of the elderly.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Subsection (d), Section 1-b, Article VIII, Texas
5 Constitution, is amended to read as follows:

6 (d) Except as otherwise provided by this subsection, if a
7 person receives the residence homestead exemption prescribed by
8 Subsection (c) of this section for homesteads of persons sixty-five
9 (65) years of age or older, the total amount of ad valorem taxes
10 imposed on that homestead for general elementary and secondary
11 public school purposes may not be increased while it remains the
12 residence homestead of that person or that person's spouse who
13 receives the exemption. If the person subsequently qualifies a
14 different residence homestead for the exemption, the total annual
15 amount of ad valorem taxes imposed on that homestead for general
16 elementary and secondary public school purposes while that
17 homestead remains the residence homestead of that person or that
18 person's spouse who receives the exemption may not exceed the
19 amount of those taxes that would have been imposed on that
20 homestead in the first year in which the person receives the
21 exemption for that homestead had the limitation on tax increases
22 imposed by this subsection not been in effect, multiplied by a
23 fraction the numerator of which is the total amount of those taxes
24 imposed on the former homestead in the last year in which the

1 person received the exemption for that homestead and the
2 denominator of which is the total amount of those taxes that would
3 have been imposed on the former homestead in the last year in which
4 the person received the exemption for that homestead had the
5 limitation on tax increases imposed by this subsection not been in
6 effect. If the [a] person [~~sixty-five-(65)-years-of-age-or--older~~]
7 dies in a year in which the person received the exemption, the
8 total amount of ad valorem taxes imposed on the homestead for
9 general elementary and secondary public school purposes may not be
10 increased while it remains the residence homestead of that person's
11 surviving spouse if the spouse is fifty-five (55) years of age or
12 older at the time of the person's death, subject to any exceptions
13 provided by general law. However, taxes otherwise limited by this
14 subsection may be increased to the extent the value of the
15 homestead is increased by improvements other than repairs or
16 improvements made to comply with governmental requirements.

17 SECTION 2. This proposed constitutional amendment shall be
18 submitted to the voters at an election to be held on November 4,
19 1997. The ballot shall be printed to permit voting for or against
20 the proposition: "The constitutional amendment to provide for
21 transferring the school tax freeze for an elderly person from a
22 former homestead to a newly acquired homestead."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
75th Regular Session

April 8, 1997

To: Honorable Kenneth Armbrister, Chair
Committee on State Affairs
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 43
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Introduced

Implementing the provisions of the bill would result in a net impact of \$0 to General Revenue Related Funds through the biennium ending August 31, 1999.

The cost to the state for publication of the resolution is \$71,000.

Fiscal Analysis

The resolution would propose a constitutional amendment to allow persons 65 years of age or older to retain their school tax limitation (tax freeze) if the person were to acquire a different residence homestead. Under current law, a person acquiring another homestead loses the earlier tax limitation and must establish a new freeze amount.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
1998	\$0	\$0
1999	0	0
2000	0	(13,039,000)
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2002	(25,288,000)	(11,427,000)

Net Impact on General Revenue Related Funds:

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$0
1999	0
2000	0
2001	(13,039,000)
2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, JD, BR

HOUSE COMMITTEE REPORT

1st Printing

By Cain
(Hilbert)

S.J.R. No. 43

Substitute the following for S.J.R. No. 43:

By Hilbert

C.S.S.J.R. No. 43

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 limit increases in value and the frequency of appraisals of
3 residence homesteads for property tax purposes and to provide for
4 the transfer to a different residence homestead of the school
5 property tax freeze on residence homesteads of the elderly.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 1, Article VIII, Texas Constitution, is
8 amended by adding Subsections (i) and (j) to read as follows:

9 (i) Notwithstanding Subsections (a) and (b) of this section,
10 the Legislature by general law may limit the maximum annual
11 increase in the appraised value of residence homesteads for ad
12 valorem tax purposes in order to provide tax relief from the
13 effects of increases in the market value of residence homesteads.
14 A limitation on appraisal increases authorized by this subsection:

15 (1) takes effect as to a residence homestead on the
16 later of the effective date of the law imposing the limitation or
17 January 1 of the tax year following the first tax year the owner
18 qualifies the property for an exemption under Section 1-b of this
19 article; and

20 (2) expires on January 1 of the first tax year that
21 neither the owner of the property when the limitation took effect,
22 the owner's spouse or surviving spouse, nor a minor child of the
23 owner qualifies for an exemption under Section 1-b.

24 (j) Notwithstanding Subsections (a) and (b) of this section,

1 the Legislature by general law may limit the frequency with which
2 increases in the appraised value of real property for ad valorem
3 tax purposes may be recognized.

4 SECTION 2. Section 1-b(d), Article VIII, Texas Constitution,
5 is amended to read as follows:

6 (d) Except as otherwise provided by this subsection, if a
7 person receives the residence homestead exemption prescribed by
8 Subsection (c) of this section for homesteads of persons sixty-five
9 (65) years of age or older, the total amount of ad valorem taxes
10 imposed on that homestead for general elementary and secondary
11 public school purposes may not be increased while it remains the
12 residence homestead of that person or that person's spouse who
13 receives the exemption. If a person sixty-five (65) years of age
14 or older dies in a year in which the person received the exemption,
15 the total amount of ad valorem taxes imposed on the homestead for
16 general elementary and secondary public school purposes may not be
17 increased while it remains the residence homestead of that person's
18 surviving spouse if the spouse is fifty-five (55) years of age or
19 older at the time of the person's death, subject to any exceptions
20 provided by general law. The legislature, by general law, may
21 provide for the transfer of all or a proportionate amount of a
22 limitation provided by this subsection for a person who qualifies
23 for the limitation and establishes a different residence homestead.
24 However, taxes otherwise limited by this subsection may be
25 increased to the extent the value of the homestead is increased by
26 improvements other than repairs or improvements made to comply with
27 governmental requirements and except as may be consistent with the

1 transfer of a limitation under this subsection.

2 SECTION 3. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held November 4, 1997,
4 but only if the constitutional amendment proposed by H.J.R. No. 4,
5 75th Legislature, Regular Session, 1997, is not approved by the
6 voters. The ballot shall be printed to permit voting for or
7 against the proposition: "The constitutional amendment authorizing
8 the legislature to limit increases in value and the frequency of
9 appraisals of residence homesteads for property tax purposes and to
10 provide for the transfer to a different residence homestead of the
11 school property tax freeze on residence homesteads of the elderly."

COMMITTEE REPORT

The Honorable James E. "Pete" Laney
Speaker of the House of Representatives

5-14-97

(date)

Sir:

We, your SELECT COMMITTEE ON REVENUE AND PUBLIC EDUCATION FUNDING

to whom was referred SJR 43 have had the same under consideration and beg to report back with the recommendation that it

() do pass, without amendment.

() do pass, with amendment(s).

(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

(X) yes () no A fiscal note was requested.

() yes (X) no A criminal justice policy impact statement was requested.

(X) yes () no An equalized educational funding impact statement was requested.

() yes (X) no An actuarial analysis was requested.

() yes (X) no A water development policy impact statement was requested.

(X) yes () no A tax equity note was requested.

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor Hilbert

Joint Sponsors: / / /

Co-Sponsors:

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Sadler, Chair	X			
Hilbert, Vice-chair	X			
Brimer	X			
Chisum	X			
Craddick				X
Hernandez				X
Hochberg	X			
Junell				X
Stiles				X
Williamson	X			
Wilson	X			

Total

7 aye
0 nay

0 present, not voting
4 absent

Paul L. Sadler
CHAIR

BILL ANALYSIS

Revenue and Public Education Funding
C.S.S.J.R. 43
By: Cain (Hilbert)
5-14-97
Committee Report (Substituted)

BACKGROUND

Currently, a senior citizen who has an ad valorem property tax freeze for school taxes cannot carry that property tax freeze to a new homestead if the senior citizen moves. As a consequence, a senior citizen who moves from a tax-frozen homestead may only claim a property tax freeze on the new homestead at a current level. S.J.R. 43 allows senior citizens to transfer their school tax freeze to their new homestead. In addition, current constitutional law does not limit the frequency of appraisals or permit the legislature to limit valuation increases on residence homesteads.

PURPOSE

As proposed, S.J.R. 43 allows senior citizens to transfer their school tax freeze to their new homestead, provides that the Legislature by general law may limit appraised property values on residence homesteads and frequency of appraisals.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency or institution.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1, Article VIII, Texas Constitution, by adding Subsections (i) and (j), to allow the Legislature by general law to limit maximum annual increases in appraised property values and frequency of appraisals.

SECTION 2. Amends Section 1-b(d), Article VIII, Texas Constitution, as follows:
Allows the legislature by law to limit the maximum annual increase on appraised value of a residence homestead and limit the frequency of appraisals. In addition, allows that homestead to remain the residence homestead of a person or a person's spouse who receives an exemption from exceeding a certain amount, if a person subsequently qualifies a different residence homestead for an exemption.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 1997. Sets forth the required language for the ballot.

Comparison of Original to Substitute

Section 1 is new and amends Section 1, Article VIII, Texas Constitution, by adding Subsections (i) and (j), to allow the Legislature by general law to limit maximum annual increase in appraised property values and frequency of appraisals.

Section 2 is substantially similar to the original bill and provides that the legislature may permit the transfer of senior citizen school tax freezes. The substitute omits language that provided for the transfer. The substitute is permissive.

SUMMARY OF COMMITTEE ACTION

SJR 43

May 14, 1997 12:41PM

Considered in formal meeting

Committee substitute considered in committee

Reported favorably as substituted

2

LEGISLATIVE BUDGET BOARD

Austin, Texas

**FISCAL NOTE
75th Regular Session**

May 14, 1997

To: Honorable Paul Sadler, Chair
Committee on Revenue and Public
Education Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, Committee
Report 2nd House, Substituted
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment authorizing the legislature to limit increases in value and the frequency of appraisals of residence homesteads for property tax purposes and to provide for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by SJR43-Committee Report 2nd House,
Substituted FN Revision 1**

The proposed amendment would, by itself, have no fiscal impact on the state or local governments. other than the cost of publication.

The cost to the state for publication of the resolution is \$71,000.

The resolution would propose a constitutional amendment to allow the Legislature, by general law, to
limit the increase in the annual appraised value of residential homesteads and provide for the transfer of the over-65 tax freeze limit.

The proposed constitutional amendment would be submitted to voters at an election to be held November 4, 1997.

3

Source:

Agencies:

LBB Staff: JK, RR, BR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
75th Regular Session

May 13, 1997

To: Honorable Paul Sadler, Chair
Committee on Revenue and Public
Education Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Engrossed

Implementing the provisions of the bill would result in a net impact of \$0 to General Revenue Related Funds through the biennium ending August 31, 1999.

The cost to the state for publication of the resolution is \$71,000.

Fiscal Analysis

The resolution would propose a constitutional amendment to allow persons 65 years of age or older to retain their school tax limitation (tax freeze) if the person were to acquire a different residence homestead. Under current law, a person acquiring another homestead loses the earlier tax limitation and must establish a new freeze amount.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

5

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
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Net Impact on General Revenue Related Funds:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
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2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, RR, JD, BR

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LEGISLATIVE BUDGET BOARD

Austin, Texas

**FISCAL NOTE
75th Regular Session**

April 8, 1997

To: Honorable Kenneth Armbrister, Chair
Committee on State Affairs
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 43
By: Cain

From: John Keel, Director

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Fiscal Analysis

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The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
1998	\$0	\$0
1999	0	0
2000	0	(13,039,000)
2001	(13,039,000)	(12,248,000)
2002	(25,288,000)	(11,427,000)

Net Impact on General Revenue Related Funds:

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$0
1999	0
2000	0
2001	(13,039,000)
2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, JD, BR

ADOPTED *As Amended*

MAY 22 1997

Sharon Carter
Chief Clerk
House of Representatives

By Cain

SJ.R. No. 43

Substitute the following for SJ.R. No. 43:

By Hilbert

C.S. SJ.R. No. 43

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 limit increases in value and the frequency of appraisals of
3 residence homesteads for property tax purposes and to provide for
4 the transfer to a different residence homestead of the school
5 property tax freeze on residence homesteads of the elderly.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 1, Article VIII, Texas Constitution, is
8 amended by adding Subsections (i) and (j) to read as follows:

9 (i) Notwithstanding Subsections (a) and (b) of this section,
10 the Legislature by general law may limit the maximum annual
11 increase in the appraised value of residence homesteads for ad
12 valorem tax purposes in order to provide tax relief from the
13 effects of increases in the market value of residence homesteads.
14 A limitation on appraisal increases authorized by this subsection:

15 (1) takes effect as to a residence homestead on the
16 later of the effective date of the law imposing the limitation or
17 January 1 of the tax year following the first tax year the owner
18 qualifies the property for an exemption under Section 1-b of this
19 article; and

20 (2) expires on January 1 of the first tax year that
21 neither the owner of the property when the limitation took effect,
22 the owner's spouse or surviving spouse, nor a minor child of the
23 owner qualifies for an exemption under Section 1-b.

24 (j) Notwithstanding Subsections (a) and (b) of this section,

1 the Legislature by general law may limit the frequency with which
2 increases in the appraised value of real property for ad valorem
3 tax purposes may be recognized.

4 SECTION 2. Section 1-b(d), Article VIII, Texas Constitution,
5 is amended to read as follows:

6 (d) Except as otherwise provided by this subsection, if a
7 person receives the residence homestead exemption prescribed by
8 Subsection (c) of this section for homesteads of persons sixty-five
9 (65) years of age or older, the total amount of ad valorem taxes
10 imposed on that homestead for general elementary and secondary
11 public school purposes may not be increased while it remains the
12 residence homestead of that person or that person's spouse who
13 receives the exemption. If a person sixty-five (65) years of age
14 or older dies in a year in which the person received the exemption,
15 the total amount of ad valorem taxes imposed on the homestead for
16 general elementary and secondary public school purposes may not be
17 increased while it remains the residence homestead of that person's
18 surviving spouse if the spouse is fifty-five (55) years of age or
19 older at the time of the person's death, subject to any exceptions
20 provided by general law. The legislature, by general law, may
21 provide for the transfer of all or a proportionate amount of a
22 limitation provided by this subsection for a person who qualifies
23 for the limitation and establishes a different residence homestead.
24 However, taxes otherwise limited by this subsection may be
25 increased to the extent the value of the homestead is increased by
26 improvements other than repairs or improvements made to comply with
27 governmental requirements and except as may be consistent with the

1 transfer of a limitation under this subsection.

2 SECTION 3. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held November 4, 1997,
4 but only if the constitutional amendment proposed by H.J.R. No. 4,
5 75th Legislature, Regular Session, 1997, is not approved by the
6 voters. The ballot shall be printed to permit voting for or
7 against the proposition: "The constitutional amendment authorizing
8 the legislature to limit increases in value and the frequency of
9 appraisals of residence homesteads for property tax purposes and to
10 provide for the transfer to a different residence homestead of the
11 school property tax freeze on residence homesteads of the elderly."

LIST OF HOUSE AMENDMENTS CURRENTLY UNDER CONSIDERATION

SJR43-Second Reading

<u>AMENDMENT#</u>	<u>AUTHOR</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1	Oakley	Amendment	Adopted

Received MAY 23 1997 10:30 am

ADOPTED

MAY 22 1997

Sharon Carter
Chief Clerk
House of Representatives



Floor Amendment No. ①

By: Oakley

1 Amend C.S.S.J.R. 43 as follows:

2
3 (1) On page 2, strike lines 4 and 5 and substitute the
4 following:

5
6 SECTION 1. Section 1-b, Article VIII, Texas Constitution, is
7 amended by amending Subsection (d) and adding Subsection (g) to
8 read as follows:

9
10 (2) On page 3, between lines 1 and 2, insert the following:

11
12 (g) For purposes of the limitation on tax increases on a
13 subsequently qualified residence homestead provided by Subsection
14 (d) of this section, the legislature by general law may authorize
15 the governing body of a school district to elect to apply the
16 limitation provide by Subsection (d) to the residence homestead of
17 an individual as if that limitation were in effect on a date before
18 January 1, 1998, as prescribed by the legislature. The legislature
19 may specify the date by which the governing body must make the
20 election. The election applies only to taxes imposed in a tax year
21 that begins after the tax year in which the election is made.

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 31, 1997

Date

Honorable Bob Bullock
President of the Senate

Honorable James E. "Pete" Laney
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.J.R. 43 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

ADOPTED

26-0
JUN 01 1997

Betty Ling
Secretary of the Senate

David Cain

Senator David Cain, Chair

Paul Hilbert

Representative Paul Hilbert, Chair

Ken Armbrister

Senator Ken Armbrister

Warren Chisum

Representative Warren Chisum

Teel Bivins

Senator Teel Bivins

Christine Hernandez

Representative Christine Hernandez

Chris Harris

Senator Chris Harris

Representative Ric Williamson

Bill Ratliff

On the part of the Senate
Senator Bill Ratliff

Ron Wilson

On the part of the House
Representative Ron Wilson

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

MAY 31 1997 8:55 p.m.

CONFERENCE COMMITTEE REPORT

S.J.R. No. 43

SENATE

A JOINT RESOLUTION

proposing a constitutional amendment providing for limitations on increases in the appraised value of residence homesteads for ad valorem taxation and for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly and their spouses.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1

SECTION 1.01. The constitutional amendment proposed by this article shall be submitted to the voters only if the constitutional amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature, Regular Session, 1997, is approved by the voters.

SECTION 1.02. Section 1, Article VIII, Texas Constitution, is amended by adding Subsection (i) to read as follows:

(i) Notwithstanding Subsections (a) and (b) of this section, the Legislature by general law may limit the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. A limitation on appraisal increases authorized by this subsection:

(1) takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies the

Conference Report
6-2-97

1 property for an exemption under Section 1-b of this article; and ^{1/2}
2 (2) expires on January 1 of the first tax year that neither
3 the owner of the property when the limitation took effect nor the
4 owner's spouse or surviving spouse qualifies for an exemption under
5 Section 1-b of this article.

6 SECTION 1.03. Section 1-b, Article VIII, Texas Constitution, is
7 amended by adding Subsection (g) to read as follows:

8 (g) If the legislature provides for the transfer of all or a
9 proportionate amount of a tax limitation provided by Subsection (d) of
10 this section for a person who qualifies for the limitation and
11 subsequently establishes a different residence homestead, the
12 legislature by general law may authorize the governing body of a
13 school district to elect to apply the law providing for the transfer
14 of the tax limitation to a change of a person's residence homestead
15 that occurred before that law took effect, subject to any restrictions
16 provided by general law. The transfer of the limitation may apply
17 only to taxes imposed in a tax year that begins after the tax year in
18 which the election is made.

19 SECTION 1.04. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 4, 1997.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment to authorize the
23 legislature to limit increases in the appraised value of residence
24 homesteads for ad valorem taxation¹ and to permit a school district to
25 calculate the school property tax freeze applicable to the residence
26 homestead of an elderly person or the surviving spouse of an elderly^{2 1/3}
27 person in accordance with the law authorizing the transfer of the
28 school property tax freeze to a different homestead regardless of

1 whether that law was in effect at the time the person established the
2 person's homestead."

3 ARTICLE 2

4 SECTION 2.01. The constitutional amendment proposed by this
5 article shall be submitted to the voters only if the constitutional
6 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
7 Regular Session, 1997, is not approved by the voters.

8 SECTION 2.02. Section 1, Article VIII, Texas Constitution, is
9 amended by adding Subsection (i) to read as follows:

10 (i) Notwithstanding Subsections (a) and (b) of this section, the
11 Legislature by general law may limit the maximum average annual
12 percentage increase in the appraised value of residence homesteads for
13 ad valorem tax purposes to 10 percent, or a greater percentage, for
14 each year since the most recent tax appraisal. A limitation on
15 appraisal increases authorized by this subsection:

16 (1) takes effect as to a residence homestead on the later of
17 the effective date of the law imposing the limitation or January 1 of
18 the tax year following the first tax year the owner qualifies the
19 property for an exemption under Section 1-b of this article; and

20 (2) expires on January 1 of the first tax year that neither
21 the owner of the property when the limitation took effect nor the
22 owner's spouse or surviving spouse qualifies for an exemption under
23 Section 1-b of this article.

24 SECTION 2.03. Section 1-b, Article VIII, Texas Constitution, is
25 amended by amending Subsection (d) and adding Subsection (g) to read
26 as follows:

27 (d) Except as otherwise provided by this subsection, if a person
28 receives the residence homestead exemption prescribed by Subsection

1 (c) of this section for homesteads of persons sixty-five (65) years of
2 age or older, the total amount of ad valorem taxes imposed on that
3 homestead for general elementary and secondary public school purposes
4 may not be increased while it remains the residence homestead of that
5 person or that person's spouse who receives the exemption. If a
6 person sixty-five (65) years of age or older dies in a year in which
7 the person received the exemption, the total amount of ad valorem
8 taxes imposed on the homestead for general elementary and secondary
9 public school purposes may not be increased while it remains the
10 residence homestead of that person's surviving spouse if the spouse is
11 fifty-five (55) years of age or older at the time of the person's
12 death, subject to any exceptions provided by general law. The
13 legislature, by general law, may provide for the transfer of all or a
14 proportionate amount of a limitation provided by this subsection for
15 a person who qualifies for the limitation and establishes a different
16 residence homestead. However, taxes otherwise limited by this
17 subsection may be increased to the extent the value of the homestead
18 is increased by improvements other than repairs or improvements made
19 to comply with governmental requirements and except as may be
20 consistent with the transfer of a limitation under this subsection.

21 (g) If the legislature provides for the transfer of all or a
22 proportionate amount of a tax limitation provided by Subsection (d) of
23 this section for a person who qualifies for the limitation and
24 subsequently establishes a different residence homestead, the
25 legislature by general law may authorize the governing body of a
26 school district to elect to apply the law providing for the transfer
27 of the tax limitation to a change of a person's residence homestead
28 that occurred before that law took effect, subject to any restrictions

1 provided by general law. The transfer of the limitation may apply
2 only to taxes imposed in a tax year that begins after the tax year in
3 which the election is made.

4 SECTION 2.04. This proposed constitutional amendment shall be
5 submitted to the voters at an election to be held November 4, 1997.
6 The ballot shall be printed to permit voting for or against the
7 proposition: "The constitutional amendment to authorize the
8 legislature to limit increases in the appraised value of residence
9 homesteads for ad valorem taxation, and to permit an elderly person or
10 the surviving spouse of an elderly person to transfer the school
11 property tax freeze on the person's residence homestead to a different
12 residence homestead."
13

Senate Joint Resolution 43
 Conference Committee Report
 Section-by-Section Analysis
 May 28, 1997

SENATE VERSION

No equivalent provision.

SECTION 1. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to provide for the transfer of a proportionate amount of the school tax limitation on residence homesteads of senior citizens from a former homestead to a newly acquired homestead. The Senate version is self-enacting.

HOUSE VERSION

SECTION 1. Amends Section 1, Article VIII, Texas Constitution, by adding two Subsections (i) and (j). Subsection (i) authorizes the Legislature to limit the maximum annual increase in the appraised value of residence homesteads for ad valorem tax purposes. Subsection (i)(1) provides that the limitation takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies for the exemption. Subsection (i)(2) provides that the limitation expires on January 1 of the first tax year in which neither the owner of the property when the limitation took effect, their spouse or surviving spouse, nor a minor child of the owner qualifies for an exemption. Subsection (j) permits the Legislature to limit the frequency with which increases in the appraised value of real property may be recognized.

SECTION 2. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to allow the Legislature, by general law, to provide for the transfer of all or a proportionate amount of a school tax freeze for a senior citizen who establishes a different residence homestead. The House version is permissive and allows the Legislature to provide for the transfer by general law. The House version also adds Subsection (g) to allow the Legislature to provide for the

CONFERENCE

ARTICLE 1. SECTION 1.01, Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

ARTICLE 2. SECTION 2.02, Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

ARTICLE 1. SECTION 1.03 is the same as Subsection (g) of the House version, deletes other subsections.

ARTICLE 2. SECTION 2.03 is the same as the House version.

Senate Joint Resolution 43
Conference Committee Report
Section-by-Section Analysis
May 28, 1997

SENATE VERSION

HOUSE VERSION

CONFERENCE

SECTION 2. Provides that the amendment shall be submitted to the voters on November 4, 1997, and sets forth the ballot language to provide for the portability of senior citizen school tax freezes from one residence homestead to another.

governing body of a school district to elect to apply the transfer of the school tax freeze retroactively. The subsection also permits the Legislature to specify the date by which the governing body must make the election.

SECTION 3. Same ballot date as Senate version. Adds language to provide that this amendment shall be submitted to the voters only if H.J.R. 4 is not approved by voters. Contains ballot language regarding transferring senior citizen school tax freezes from one residence homestead to another, limiting increases in appraised values of residence homesteads, and limiting frequency of appraisals of residence homesteads for property tax purposes.

ARTICLE 1. SECTION 1.01, is similar to the House version but provides that ARTICLE 1 shall be submitted to the voters if H.J.R. 4 is approved by the voters.

ARTICLE 2. SECTION 2.01, is similar to the House version but provides that ARTICLE 2 shall be submitted to the voters if H.J.R. 4 is not approved by the voters.

ARTICLE 1. SECTION 1.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.

ARTICLE 2. SECTION 2.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

07/07/97 11:00

May 3 Date 1997

Honorable Bob Bullock
President of the Senate

ADOPTED

Honorable James E. "Pete" Laney
Speaker of the House of Representatives

JUN 1 1997

Sharon Carter
Chief Clerk
House of Representatives

RV 143
01

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on _____ have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Senator David Cain, Chair

Representative Paul Hilbert, Chair

Senator Ken Ambrister

Representative Warren Chisum

Senator Teel Bivins

Representative Christine Hernandez

Senator Chris Harris

Representative Ric Williamson

On the part of the Senate
Senator Bill Ratliff

On the part of the House
Representative Ron Wilson

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

S.J.R. No. 43

A JOINT RESOLUTION

proposing a constitutional amendment providing for limitations on increases in the appraised value of residence homesteads for ad valorem taxation and for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly and their spouses.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1

SECTION 1.01. The constitutional amendment proposed by this article shall be submitted to the voters only if the constitutional amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature, Regular Session, 1997, is approved by the voters.

SECTION 1.02. Section 1, Article VIII, Texas Constitution, is amended by adding Subsection (i) to read as follows:

(i) Notwithstanding Subsections (a) and (b) of this section, the Legislature by general law may limit the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. A limitation on appraisal increases authorized by this subsection:

(1) takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies the

1 property for an exemption under Section 1-b of this article; and

2 (2) expires on January 1 of the first tax year that neither
3 the owner of the property when the limitation took effect nor the
4 owner's spouse or surviving spouse qualifies for an exemption under
5 Section 1-b of this article.

6 SECTION 1.03. Section 1-b, Article VIII, Texas Constitution, is
7 amended by adding Subsection (g) to read as follows:

8 (g) If the legislature provides for the transfer of all or a
9 proportionate amount of a tax limitation provided by Subsection (d) of
10 this section for a person who qualifies for the limitation and
11 subsequently establishes a different residence homestead, the
12 legislature by general law may authorize the governing body of a
13 school district to elect to apply the law providing for the transfer
14 of the tax limitation to a change of a person's residence homestead
15 that occurred before that law took effect, subject to any restrictions
16 provided by general law. The transfer of the limitation may apply
17 only to taxes imposed in a tax year that begins after the tax year in
18 which the election is made.

19 SECTION 1.04. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 4, 1997.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment to authorize the
23 legislature to limit increases in the appraised value of residence
24 homesteads for ad valorem taxation, and to permit a school district to
25 calculate the school property tax freeze applicable to the residence
26 homestead of an elderly person or the surviving spouse of an elderly
27 person in accordance with the law authorizing the transfer of the
28 school property tax freeze to a different homestead regardless of

1 whether that law was in effect at the time the person established the
2 person's homestead."

3 ARTICLE 2

4 SECTION 2.01. The constitutional amendment proposed by this
5 article shall be submitted to the voters only if the constitutional
6 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
7 Regular Session, 1997, is not approved by the voters.

8 SECTION 2.02. Section 1, Article VIII, Texas Constitution, is
9 amended by adding Subsection (i) to read as follows:

10 (i) Notwithstanding Subsections (a) and (b) of this section, the
11 Legislature by general law may limit the maximum average annual
12 percentage increase in the appraised value of residence homesteads for
13 ad valorem tax purposes to 10 percent, or a greater percentage, for
14 each year since the most recent tax appraisal. A limitation on
15 appraisal increases authorized by this subsection:

16 (1) takes effect as to a residence homestead on the later of
17 the effective date of the law imposing the limitation or January 1 of
18 the tax year following the first tax year the owner qualifies the
19 property for an exemption under Section 1-b of this article; and

20 (2) expires on January 1 of the first tax year that neither
21 the owner of the property when the limitation took effect nor the
22 owner's spouse or surviving spouse qualifies for an exemption under
23 Section 1-b of this article.

24 SECTION 2.03. Section 1-b, Article VIII, Texas Constitution, is
25 amended by amending Subsection (d) and adding Subsection (g) to read
26 as follows:

27 (d) Except as otherwise provided by this subsection, if a person
28 receives the residence homestead exemption prescribed by Subsection

1 (c) of this section for homesteads of persons sixty-five (65) years of
2 age or older, the total amount of ad valorem taxes imposed on that
3 homestead for general elementary and secondary public school purposes
4 may not be increased while it remains the residence homestead of that
5 person or that person's spouse who receives the exemption. If a
6 person sixty-five (65) years of age or older dies in a year in which
7 the person received the exemption, the total amount of ad valorem
8 taxes imposed on the homestead for general elementary and secondary
9 public school purposes may not be increased while it remains the
10 residence homestead of that person's surviving spouse if the spouse is
11 fifty-five (55) years of age or older at the time of the person's
12 death, subject to any exceptions provided by general law. The
13 legislature, by general law, may provide for the transfer of all or a
14 proportionate amount of a limitation provided by this subsection for
15 a person who qualifies for the limitation and establishes a different
16 residence homestead. However, taxes otherwise limited by this
17 subsection may be increased to the extent the value of the homestead
18 is increased by improvements other than repairs or improvements made
19 to comply with governmental requirements and except as may be
20 consistent with the transfer of a limitation under this subsection.

21 (g) If the legislature provides for the transfer of all or a
22 proportionate amount of a tax limitation provided by Subsection (d) of
23 this section for a person who qualifies for the limitation and
24 subsequently establishes a different residence homestead, the
25 legislature by general law may authorize the governing body of a
26 school district to elect to apply the law providing for the transfer
27 of the tax limitation to a change of a person's residence homestead
28 that occurred before that law took effect, subject to any restrictions

1 provided by general law. The transfer of the limitation may apply
2 only to taxes imposed in a tax year that begins after the tax year in
3 which the election is made.

4 SECTION 2.04. This proposed constitutional amendment shall be
5 submitted to the voters at an election to be held November 4, 1997.
6 The ballot shall be printed to permit voting for or against the
7 proposition: "The constitutional amendment to authorize the
8 legislature to limit increases in the appraised value of residence
9 homesteads for ad valorem taxation, and to permit an elderly person or
10 the surviving spouse of an elderly person to transfer the school
11 property tax freeze on the person's residence homestead to a different
12 residence homestead."
13

Senate Joint Resolution 43
Conference Committee Report
Section-by-Section Analysis
May 28, 1997

SENATE VERSION

No equivalent provision.

SECTION 1. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to provide for the transfer of a proportionate amount of the school tax limitation on residence homesteads of senior citizens from a former homestead to a newly acquired homestead. The Senate version is self-enacting.

HOUSE VERSION

SECTION 1. Amends Section 1, Article VIII, Texas Constitution, by adding two Subsections (i) and (j). Subsection (i) authorizes the Legislature to limit the maximum annual increase in the appraised value of residence homesteads for ad valorem tax purposes. Subsection (i)(1) provides that the limitation takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies for the exemption. Subsection (i)(2) provides that the limitation expires on January 1 of the first tax year in which neither the owner of the property when the limitation took effect, their spouse or surviving spouse, nor a minor child of the owner qualifies for an exemption. Subsection (j) permits the Legislature to limit the frequency with which increases in the appraised value of real property may be recognized.

SECTION 2. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to allow the Legislature, by general law, to provide for the transfer of all or a proportionate amount of a school tax freeze for a senior citizen who establishes a different residence homestead. The House version is permissive and allows the Legislature to provide for the transfer by general law. The House version also adds Subsection (g) to allow the Legislature to provide for the

CONFERENCE

ARTICLE 1. **SECTION 1.01,** Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

ARTICLE 2. **SECTION 2.02,** Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

ARTICLE 1. **SECTION 1.03** is the same as Subsection (g) of the House version, deletes other subsections.

ARTICLE 2. **SECTION 2.03** is the same as the House version.

Senate Joint Resolution 43
Conference Committee Report
Section-by-Section Analysis
May 28, 1997

SENATE VERSION

HOUSE VERSION

CONFERENCE

SECTION 2. Provides that the amendment shall be submitted to the voters on November 4, 1997, and sets forth the ballot language to provide for the portability of senior citizen school tax freezes from one residence homestead to another.

governing body of a school district to elect to apply the transfer of the school tax freeze retroactively. The subsection also permits the Legislature to specify the date by which the governing body must make the election.

SECTION 3. Same ballot date as Senate version. Adds language to provide that this amendment shall be submitted to the voters only if H.J.R. 4 is not approved by voters. Contains ballot language regarding transferring senior citizen school tax freezes from one residence homestead to another, limiting increases in appraised values of residence homesteads, and limiting frequency of appraisals of residence homesteads for property tax purposes.

ARTICLE 1. SECTION 1.01, is similar to the House version but provides that ARTICLE 1 shall be submitted to the voters if H.J.R. 4 is approved by the voters.

ARTICLE 2. SECTION 2.01, is similar to the House version but provides that ARTICLE 2 shall be submitted to the voters if H.J.R. 4 is not approved by the voters.

ARTICLE 1. SECTION 1.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.

ARTICLE 2. SECTION 2.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
75th Regular Session

June 1, 1997

To: Honorable Bob Bullock
Lieutenant Governor
Senate
Austin, Texas

Honorable James E. "Pete" Laney
Speaker of the House

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment providing for limitations on increases in the appraised value of residence homesteads for ad valorem taxation and for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly and their spouses) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-Conference Committee Report

The proposed amendment would, by itself, have no fiscal implication to the state or local governments, other than the cost of publication.

The cost to the state for publication of the resolution is \$71,000.

The resolution would propose a constitutional amendment to allow the Legislature, by general law, to
limit the increase in the annual appraised value of residential homesteads and provide for the transfer of the over-65 tax freeze limit.

The proposed constitutional amendment would be submitted to voters at an election to be held November 4, 1997.

Source: Agencies:

LBB Staff: JK, RR, BR

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 31, 1997

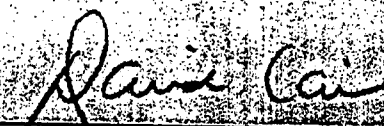
Date

Honorable Bob Bullock
President of the Senate

Honorable James E. "Pete" Laney
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.J.R. 43 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.


Senator David Cain, Chair


Senator Ken Armbrister


Senator Teel Bivins


Senator Chris Harris


On the part of the Senate
Senator Bill Ratliff


Representative Paul Hilbert, Chair


Representative Warren Chisum


Representative Christine Hernandez


Representative Rick Williamson


On the part of the House
Representative Ron Wilson

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.J.R. No. 43

1 A JOINT RESOLUTION

2 proposing a constitutional amendment providing for limitations on
3 increases in the appraised value of residence homesteads for ad
4 valorem taxation and for the transfer to a different residence
5 homestead of the school property tax freeze on residence homesteads of
6 the elderly and their spouses.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 ARTICLE 1

9 SECTION 1.01. The constitutional amendment proposed by this
10 article shall be submitted to the voters only if the constitutional
11 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
12 Regular Session, 1997, is approved by the voters.

13 SECTION 1.02. Section 1, Article VIII, Texas Constitution, is
14 amended by adding Subsection (i) to read as follows:

15 (i) Notwithstanding Subsections (a) and (b) of this section, the
16 Legislature by general law may limit the maximum average annual
17 percentage increase in the appraised value of residence homesteads for
18 ad valorem tax purposes to 10 percent, or a greater percentage, for
19 each year since the most recent tax appraisal. A limitation on
20 appraisal increases authorized by this subsection:

21 (1) takes effect as to a residence homestead on the later of
22 the effective date of the law imposing the limitation or January 1 of
23 the tax year following the first tax year the owner qualifies the

1 property for an exemption under Section 1-b of this article; and

2 (2) expires on January 1 of the first tax year that neither
3 the owner of the property when the limitation took effect nor the
4 owner's spouse or surviving spouse qualifies for an exemption under
5 Section 1-b of this article.

6 SECTION 1.03. Section 1-b, Article VIII, Texas Constitution, is
7 amended by adding Subsection (g) to read as follows:

8 (g) If the legislature provides for the transfer of all or a
9 proportionate amount of a tax limitation provided by Subsection (d) of
10 this section for a person who qualifies for the limitation and
11 subsequently establishes a different residence homestead, the
12 legislature by general law may authorize the governing body of a
13 school district to elect to apply the law providing for the transfer
14 of the tax limitation to a change of a person's residence homestead
15 that occurred before that law took effect, subject to any restrictions
16 provided by general law. The transfer of the limitation may apply
17 only to taxes imposed in a tax year that begins after the tax year in
18 which the election is made.

19 SECTION 1.04. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 4, 1997.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment to authorize the
23 legislature to limit increases in the appraised value of residence
24 homesteads for ad valorem taxation, and to permit a school district to
25 calculate the school property tax freeze applicable to the residence
26 homestead of an elderly person or the surviving spouse of an elderly
27 person in accordance with the law authorizing the transfer of the
28 school property tax freeze to a different homestead regardless of

1 whether that law was in effect at the time the person established the
2 person's homestead."

3 ARTICLE 2

4 SECTION 2.01. The constitutional amendment proposed by this
5 article shall be submitted to the voters only if the constitutional
6 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
7 Regular Session, 1997, is not approved by the voters.

8 SECTION 2.02. Section 1, Article VIII, Texas Constitution, is
9 amended by adding Subsection (i) to read as follows:

10 (i) Notwithstanding Subsections (a) and (b) of this section, the
11 Legislature by general law may limit the maximum average annual
12 percentage increase in the appraised value of residence homesteads for
13 ad valorem tax purposes to 10 percent, or a greater percentage, for
14 each year since the most recent tax appraisal. A limitation on
15 appraisal increases authorized by this subsection:

16 (1) takes effect as to a residence homestead on the later of
17 the effective date of the law imposing the limitation or January 1 of
18 the tax year following the first tax year the owner qualifies the
19 property for an exemption under Section 1-b of this article; and

20 (2) expires on January 1 of the first tax year that neither
21 the owner of the property when the limitation took effect nor the
22 owner's spouse or surviving spouse qualifies for an exemption under
23 Section 1-b of this article.

24 SECTION 2.03. Section 1-b, Article VIII, Texas Constitution, is
25 amended by amending Subsection (d) and adding Subsection (g) to read
26 as follows:

27 (d) Except as otherwise provided by this subsection, if a person
28 receives the residence homestead exemption prescribed by Subsection

1 (c) of this section for homesteads of persons sixty-five (65) years of
2 age or older, the total amount of ad valorem taxes imposed on that
3 homestead for general elementary and secondary public school purposes
4 may not be increased while it remains the residence homestead of that
5 person or that person's spouse who receives the exemption. If a
6 person sixty-five (65) years of age or older dies in a year in which
7 the person received the exemption, the total amount of ad valorem
8 taxes imposed on the homestead for general elementary and secondary
9 public school purposes may not be increased while it remains the
10 residence homestead of that person's surviving spouse if the spouse is
11 fifty-five (55) years of age or older at the time of the person's
12 death, subject to any exceptions provided by general law. The
13 legislature, by general law, may provide for the transfer of all or a
14 proportionate amount of a limitation provided by this subsection for
15 a person who qualifies for the limitation and establishes a different
16 residence homestead. However, taxes otherwise limited by this
17 subsection may be increased to the extent the value of the homestead
18 is increased by improvements other than repairs or improvements made
19 to comply with governmental requirements and except as may be
20 consistent with the transfer of a limitation under this subsection.

21 (g) If the legislature provides for the transfer of all or a
22 proportionate amount of a tax limitation provided by Subsection (d) of
23 this section for a person who qualifies for the limitation and
24 subsequently establishes a different residence homestead, the
25 legislature by general law may authorize the governing body of a
26 school district to elect to apply the law providing for the transfer
27 of the tax limitation to a change of a person's residence homestead
28 that occurred before that law took effect, subject to any restrictions

1 provided by general law. The transfer of the limitation may apply
2 only to taxes imposed in a tax year that begins after the tax year in
3 which the election is made.

4 SECTION 2.04. This proposed constitutional amendment shall be
5 submitted to the voters at an election to be held November 4, 1997.
6 The ballot shall be printed to permit voting for or against the
7 proposition: "The constitutional amendment to authorize the
8 legislature to limit increases in the appraised value of residence
9 homesteads for ad valorem taxation, and to permit an elderly person or
10 the surviving spouse of an elderly person to transfer the school
11 property tax freeze on the person's residence homestead to a different
12 residence homestead."
13

Senate Joint Resolution 43
Conference Committee Report
Section-by-Section Analysis
May 28, 1997

SENATE VERSION

No equivalent provision.

SECTION 1. Amends Section 1, Article VIII, Texas Constitution, by adding two Subsections (i) and (j). Subsection (i) authorizes the Legislature to limit the maximum annual increase in the appraised value of residence homesteads for ad valorem tax purposes. Subsection (i)(1) provides that the limitation takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies for the exemption. Subsection (i)(2) provides that the limitation expires on January 1 of the first tax year in which neither the owner of the property when the limitation took effect, their spouse or surviving spouse, nor a minor child of the owner qualifies for an exemption. Subsection (j) permits the Legislature to limit the frequency with which increases in the appraised value of real property may be recognized.

SECTION 1. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to provide for the transfer of a proportionate amount of the school tax limitation on residence homesteads of senior citizens from a former homestead to a newly acquired homestead. The Senate version is self-enacting.

HOUSE VERSION

CONFERENCE

ARTICLE 1. SECTION 1.01, Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

ARTICLE 2. SECTION 2.02, Subsection (i), is similar to House version, but limits the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes to 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Subsections (i)(1) and (i)(2) are the same as the House version. Subsection (j) is deleted.

SECTION 2. Amends Subsection (d), Section 1-b, Article VIII, Texas Constitution, to allow the Legislature, by general law, to provide for the transfer of all or a proportionate amount of a school tax freeze for a senior citizen who establishes a different residence homestead. The House version is permissive and allows the Legislature to provide for the transfer by general law. The House version also adds Subsection (g) to allow the Legislature to provide for the

ARTICLE 1. SECTION 1.03 is the same as Subsection (g) of the House version, deletes other subsections.

ARTICLE 2. SECTION 2.03 is the same as the House version.

Senate Joint Resolution 43
Conference Committee Report
Section-by-Section Analysis
May 28, 1997

SENATE VERSION

SECTION 2. Provides that the amendment shall be submitted to the voters on November 4, 1997, and sets forth the ballot language to provide for the portability of senior citizen school tax freezes from one residence homestead to another.

governing body of a school district to elect to apply the transfer of the school tax freeze retroactively. The subsection also permits the Legislature to specify the date by which the governing body must make the election.

SECTION 3. Same ballot date as Senate version. Adds language to provide that this amendment shall be submitted to the voters only if H.J.R. 4 is not approved by voters. Contains ballot language regarding transferring senior citizen school tax freezes from one residence homestead to another, limiting increases in appraised values of residence homesteads, and limiting frequency of appraisals of residence homesteads for property tax purposes.

HOUSE VERSION

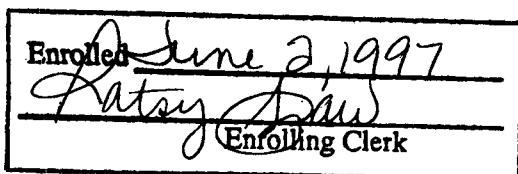
CONFERENCE

ARTICLE 1. SECTION 1.01, is similar to the House version but provides that ARTICLE 1 shall be submitted to the voters if H.J.R. 4 is approved by the voters.

ARTICLE 2. SECTION 2.01, is similar to the House version but provides that ARTICLE 2 shall be submitted to the voters if H.J.R. 4 is not approved by the voters.

ARTICLE 1. SECTION 1.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.

ARTICLE 2. SECTION 2.04, is similar to the House version but deletes limitation of frequency of appraisals language in the ballot proposition.



S.J.R. No. 43

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment providing for limitations on
2 increases in the appraised value of residence homesteads for ad
3 valorem taxation and for the transfer to a different residence
4 homestead of the school property tax freeze on residence homesteads
5 of the elderly and their spouses.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 ARTICLE 1

8 SECTION 1.01. The constitutional amendment proposed by this
9 article shall be submitted to the voters only if the constitutional
10 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
11 Regular Session, 1997, is approved by the voters.

12 SECTION 1.02. Section 1, Article VIII, Texas Constitution,
13 is amended by adding Subsection (i) to read as follows:

14 (i) Notwithstanding Subsections (a) and (b) of this section,
15 the Legislature by general law may limit the maximum average annual
16 percentage increase in the appraised value of residence homesteads
17 for ad valorem tax purposes to 10 percent, or a greater percentage,
18 for each year since the most recent tax appraisal. A limitation on
19 appraisal increases authorized by this subsection:

20 (1) takes effect as to a residence homestead on the
21 later of the effective date of the law imposing the limitation or
22 January 1 of the tax year following the first tax year the owner
23 qualifies the property for an exemption under Section 1-b of this
24 article; and

1 (2) expires on January 1 of the first tax year that
2 neither the owner of the property when the limitation took effect
3 nor the owner's spouse or surviving spouse qualifies for an
4 exemption under Section 1-b of this article.

5 SECTION 1.03. Section 1-b, Article VIII, Texas Constitution,
6 is amended by adding Subsection (g) to read as follows:

7 (g) If the legislature provides for the transfer of all or a
8 proportionate amount of a tax limitation provided by Subsection (d)
9 of this section for a person who qualifies for the limitation and
10 subsequently establishes a different residence homestead, the
11 legislature by general law may authorize the governing body of a
12 school district to elect to apply the law providing for the
13 transfer of the tax limitation to a change of a person's residence
14 homestead that occurred before that law took effect, subject to any
15 restrictions provided by general law. The transfer of the
16 limitation may apply only to taxes imposed in a tax year that
17 begins after the tax year in which the election is made.

18 SECTION 1.04. This proposed constitutional amendment shall
19 be submitted to the voters at an election to be held November 4,
20 1997. The ballot shall be printed to permit voting for or against
21 the proposition: "The constitutional amendment to authorize the
22 legislature to limit increases in the appraised value of residence
23 homesteads for ad valorem taxation and to permit a school district
24 to calculate the school property tax freeze applicable to the
25 residence homestead of an elderly person or the surviving spouse of

1 an elderly person in accordance with the law authorizing the
2 transfer of the school property tax freeze to a different homestead
3 regardless of whether that law was in effect at the time the person
4 established the person's homestead."

5 ARTICLE 2

6 SECTION 2.01. The constitutional amendment proposed by this
7 article shall be submitted to the voters only if the constitutional
8 amendment proposed by H.J.R. No. 4, Acts of the 75th Legislature,
9 Regular Session, 1997, is not approved by the voters.

10 SECTION 2.02. Section 1, Article VIII, Texas Constitution,
11 is amended by adding Subsection (i) to read as follows:

12 (i) Notwithstanding Subsections (a) and (b) of this section,
13 the Legislature by general law may limit the maximum average annual
14 percentage increase in the appraised value of residence homesteads
15 for ad valorem tax purposes to 10 percent, or a greater percentage,
16 for each year since the most recent tax appraisal. A limitation on
17 appraisal increases authorized by this subsection:

18 (1) takes effect as to a residence homestead on the
19 later of the effective date of the law imposing the limitation or
20 January 1 of the tax year following the first tax year the owner
21 qualifies the property for an exemption under Section 1-b of this
22 article; and

23 (2) expires on January 1 of the first tax year that
24 neither the owner of the property when the limitation took effect
25 nor the owner's spouse or surviving spouse qualifies for an

1 exemption under Section 1-b of this article.

2 SECTION 2.03. Section 1-b, Article VIII, Texas Constitution,
3 is amended by amending Subsection (d) and adding Subsection (g) to
4 read as follows:

5 (d) Except as otherwise provided by this subsection, if a
6 person receives the residence homestead exemption prescribed by
7 Subsection (c) of this section for homesteads of persons sixty-five
8 (65) years of age or older, the total amount of ad valorem taxes
9 imposed on that homestead for general elementary and secondary
10 public school purposes may not be increased while it remains the
11 residence homestead of that person or that person's spouse who
12 receives the exemption. If a person sixty-five (65) years of age
13 or older dies in a year in which the person received the exemption,
14 the total amount of ad valorem taxes imposed on the homestead for
15 general elementary and secondary public school purposes may not be
16 increased while it remains the residence homestead of that person's
17 surviving spouse if the spouse is fifty-five (55) years of age or
18 older at the time of the person's death, subject to any exceptions
19 provided by general law. The legislature, by general law, may
20 provide for the transfer of all or a proportionate amount of a
21 limitation provided by this subsection for a person who qualifies
22 for the limitation and establishes a different residence homestead.
23 However, taxes otherwise limited by this subsection may be
24 increased to the extent the value of the homestead is increased by
25 improvements other than repairs or improvements made to comply with

1 governmental requirements and except as may be consistent with the
2 transfer of a limitation under this subsection.

3 (g) If the legislature provides for the transfer of all or a
4 proportionate amount of a tax limitation provided by Subsection (d)
5 of this section for a person who qualifies for the limitation and
6 subsequently establishes a different residence homestead, the
7 legislature by general law may authorize the governing body of a
8 school district to elect to apply the law providing for the
9 transfer of the tax limitation to a change of a person's residence
10 homestead that occurred before that law took effect, subject to any
11 restrictions provided by general law. The transfer of the
12 limitation may apply only to taxes imposed in a tax year that
13 begins after the tax year in which the election is made.

14 SECTION 2.04. This proposed constitutional amendment shall
15 be submitted to the voters at an election to be held November 4,
16 1997. The ballot shall be printed to permit voting for or against
17 the proposition: "The constitutional amendment to authorize the
18 legislature to limit increases in the appraised value of residence
19 homesteads for ad valorem taxation and to permit an elderly person
20 or the surviving spouse of an elderly person to transfer the school
21 property tax freeze on the person's residence homestead to a
22 different residence homestead."

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 43 was adopted by the Senate on April 22, 1997, by the following vote: Yeas 30, Nays 0; May 28, 1997, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 29, 1997, House granted request of the Senate; June 1, 1997, Senate adopted Conference Committee Report by the following vote: Yeas 26, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 43 was adopted by the House, with amendments, on May 22, 1997, by the following vote: Yeas 144, Nays 0, one present not voting; May 29, 1997, House granted request of the Senate for appointment of Conference Committee; June 1, 1997, House adopted Conference Committee Report by the following vote: Yeas 143, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor

LEGISLATIVE BUDGET BOARD

Austin, Texas

**FISCAL NOTE
75th Regular Session**

May 23, 1997

To: Honorable Bob Bullock
Lieutenant Governor
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Passed 2nd
House
Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment authorizing the legislature to limit increases in value and the frequency of appraisals of residence homesteads for property tax purposes and to provide for the transfer to different residence homestead of the school property tax freeze on residence homesteads of the elderly) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Passed 2nd House

The proposed amendment would, by itself, have no fiscal impact on the state or local governments. other than the cost of publication.

The cost to the state for publication of the resolution is \$71,000.

The resolution would propose a constitutional amendment to allow the Legislature, by general law, to
limit the increase in the annual appraised value of residential homesteads and provide for the transfer of the over-65 tax freeze limit.

The proposed constitutional amendment would be submitted to voters at an election to be held November 4, 1997.

Source: Agencies:

LBB Staff: JK, RR, BR

LEGISLATIVE BUDGET BOARD

Austin, Texas

**FISCAL NOTE
75th Regular Session**

May 14, 1997

To: Honorable Paul Sadler, Chair
Committee on Revenue and Public
Education Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, Committee
Report 2nd House, Substituted
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment authorizing the legislature to limit increases in value and the frequency of appraisals of residence homesteads for property tax purposes and to provide for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly) this office has determined the following:

<p>Biennial Net Impact to General Revenue Funds by SJR43-Committee Report 2nd House, Substituted FN Revision 1</p>

The proposed amendment would, by itself, have no fiscal impact on the state or local governments. other than the cost of publication.

The cost to the state for publication of the resolution is \$71,000.

The resolution would propose a constitutional amendment to allow the Legislature, by general law, to
limit the increase in the annual appraised value of residential homesteads and provide for the transfer of the over-65 tax freeze limit.

The proposed constitutional amendment would be submitted to voters at an election to be held November 4, 1997.

3

Source:

Agencies:

LBB Staff: JK, RR, BR

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

75th Regular Session

May 13, 1997

To: Honorable Paul Sadler, Chair
Committee on Revenue and Public
Education Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Engrossed

Implementing the provisions of the bill would result in a net impact of \$0 to General Revenue Related Funds through the biennium ending August 31, 1999.

The cost to the state for publication of the resolution is \$71,000.

Fiscal Analysis

The resolution would propose a constitutional amendment to allow persons 65 years of age or older to retain their school tax limitation (tax freeze) if the person were to acquire a different residence homestead. Under current law, a person acquiring another homestead loses the earlier tax limitation and must establish a new freeze amount.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
1998	\$0	\$0
1999	0	0
2000	0	(13,039,000)
2001	(13,039,000)	(12,248,000)
2002	(25,288,000)	(11,427,000)

Net Impact on General Revenue Related Funds:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$0
1999	0
2000	0
2001	(13,039,000)
2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, RR, JD, BR

6

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
75th Regular Session

April 8, 1997

To: Honorable Kenneth Armbrister, Chair
Committee on State Affairs
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 43
By: Cain

From: John Keel, Director

In response to your request for a Fiscal Note on SJR43 (Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.) this office has determined the following:

Biennial Net Impact to General Revenue Funds by SJR43-As Introduced

Implementing the provisions of the bill would result in a net impact of \$0 to General Revenue Related Funds through the biennium ending August 31, 1999.

The cost to the state for publication of the resolution is \$71,000.

Fiscal Analysis

The resolution would propose a constitutional amendment to allow persons 65 years of age or older to retain their school tax limitation (tax freeze) if the person were to acquire a different residence homestead. Under current law, a person acquiring another homestead loses the earlier tax limitation and must establish a new freeze amount.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 4, 1997.

Methodology

The resolution would allow persons 65 years of age or older who move from one homestead to another to continue a tax freeze that they would otherwise lose under current law.

A mobility factor was estimated by dividing the national number of 65-and-over homesteads moving within their states by the total national number of 65-and-over homesteads. The mobility factor times the number of 65-and-over homesteads in Texas equals the number of Texas 65-and-over homesteads moving. The number of Texas 65-and-over homesteads moving times the average freeze value loss times the 1996 average tax rate equals the yearly levy loss for movers. The levy loss was trended over the projection period. Each year's levy loss, net of 65-and-over deaths, is cumulative.

The school funding formula would reimburse school districts after a one-year lag, resulting in a state cost and a corresponding reduction in the cost to school districts.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Revenue Gain/(Loss) from School Districts
1998	\$0	\$0
1999	0	0
2000	0	(13,039,000)
2001	(13,039,000)	(12,248,000)
2002	(25,288,000)	(11,427,000)

Net Impact on General Revenue Related Funds:

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$0
1999	0
2000	0
2001	(13,039,000)
2002	(25,288,000)

Source: Agencies: 701 Texas Education Agency - Administration
304 Comptroller of Public Accounts

LBB Staff: JK, JD, BR

S.B. No. 43

President of the Senate

Speaker of the House

I hereby certify that ^{S.R.} S.B. No. 43 ^{was adopted by} ~~passed~~ the Senate on April 22, 1997, by the following vote: Yeas 30, Nays 0; May 28, 1997, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 29, 1997, House granted request of the Senate; June 1, 1997, Senate adopted Conference Committee Report by the following vote: Yeas 26, Nays 0.

Secretary of the Senate

I hereby certify that ^{S.R.} S.B. No. 43 ^{was adopted by} ~~passed~~ the House, with amendments, on May 22, 1997, by the following vote: Yeas 144, Nays 0; May 29, 1997, House granted request of the Senate for appointment of Conference Committee; June 1, 1997, House adopted Conference Committee Report by the following vote: Yeas 143, Nays 0, one present not voting.

one present not voting

Chief Clerk of the House

Approved:

Date

Governor

LEGISLATIVE BUDGET BOARD

Equalized Education Funding Impact Statement

May 15, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, Committee
Report 2nd House, Substituted
By: Cain

FROM: **John Keel**, Director

In response to your request for a Equalized Education Funding Impact Statement on SJR43 (proposing a constitutional amendment authorizing the legislature to limit increases in value and the frequency of appraisals of residence homesteads for property tax purposes and to provide for the transfer to a different residence homestead of the school property tax freeze on residence homesteads of the elderly) this office has determined the following:

No significant impact on equalized funding requirements and policies affecting public education is anticipated from any of the provisions of this bill.

LEGISLATIVE BUDGET BOARD

Tax/Fee Equity Note

May 15, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, Committee
Report
2nd House, Substituted
By: Cain

FROM: **John Keel**, Director

In response to your request for a Tax/Fee Equity Note on SJR43 (Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.) this office has determined the following:

This measure does not create or impact a state tax or fee.

LEGISLATIVE BUDGET BOARD

Equalized Education Funding Impact Statement

May 13, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
By: Cain

FROM: **John Keel**, Director

In response to your request for a Equalized Education Funding Impact Statement on SJR43 (proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly) this office has determined the following:

No impact on equalized funding requirements and policies affecting public education is anticipated from any of the provisions of this bill.

LEGISLATIVE BUDGET BOARD

Tax/Fee Equity Note

May 12, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
By: Cain

FROM: **John Keel**, Director

In response to your request for a Tax/Fee Equity Note on SJR43 (Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.) this office has determined the following:

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2.

LEGISLATIVE BUDGET BOARD
Equalized Education Funding Impact Statement

May 15, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, Committee
Report 2nd House, Substituted
By: Cain

FROM: **John Keel**, Director

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LEGISLATIVE BUDGET BOARD

Tax/Fee Equity Note

May 15, 1997

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House
Austin, Texas

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No. 43, Committee
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2nd House, Substituted
By: Cain

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LEGISLATIVE BUDGET BOARD
Equalized Education Funding Impact Statement

May 13, 1997

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House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
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LEGISLATIVE BUDGET BOARD

Tax/Fee Equity Note

May 12, 1997

TO: Honorable Paul Sadler, Chair
Committee on Revenue and Public Education
Funding
House
Austin, Texas

IN RE: Senate Joint Resolution
No. 43, As Engrossed
By: Cain

FROM: **John Keel**, Director

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This measure does not create or impact a state tax or fee.

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S.J.R. No.

43

By

Cai

Proposing a constitutional amendment relating to transferring the school tax freeze on homesteads of the elderly.

~~MAR 14 1997~~

Filed with the Secretary of the Senate

~~MAR 24 1997~~

Read and referred to Committee on

FINANCE

~~4-2-97~~

Referred to State Affairs

~~APR 11 1997~~

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

~~APR 22 1997~~

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

yeas, nays

~~APR 22 1997~~

Read second time, , and ordered engrossed by:

unanimous consent

a viva voce vote

yeas, nays

~~APR 22 1997~~

Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 0 nays.

~~APR 22 1997~~

Read third time, , and passed by: 30 yeas, 0 nays

Butty King

SECRETARY OF THE SENATE

OTHER ACTION:

~~APR 22 1997~~

Engrossed

April 23, 1997

Sent to House

Engrossing Clerk

Latsy Law

May 13, 1997

Recommitted to Committee

~~APR 23 1997~~

Received from the Senate

~~APR 24 1997~~

Read first time and referred to Committee on

Select

Revenue & Public Education Funding

~~MAY 14 1997~~

Reported favorably (as amended) (as substituted)

~~MAY 19 1997~~

Sent to Committee on Calendars

~~MAY 22 1997~~

Read second time (comm. subst.) (amended) and adopted (as amended) by a record vote of 144 yeas, 0 nays, 1 present, not voting

Read third time (amended) and finally adopted (failed of adoption) by a record vote of yeas, nays, present, not voting

~~MAY 23 1997~~

Returned to Senate.

Sharon Carter

CHIEF CLERK OF THE HOUSE

Returned from House without amendment.

~~MAY 23 1997~~

Returned from House with 2 amendments.

Concurred in House amendments by a viva voce vote yeas, nays.

MAY 28 1997

Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

Senate conferees instructed.

MAY 28 1997

Senate conferees appointed: Cain, Chairman; Harris
Bivins, Armbruster, and Ratliff

5/29/97

House granted Senate request. House conferees appointed: Hilbert, Chairman;
Chisum, Hernandez, Williamson, Wilson

5/31/97

Conference Committee Report read and filed with the Secretary of the Senate.

JUN 01 1997

Conference Committee Report adopted on the part of the House by: _____

~~{ a viva voce vote~~
{ 143 yeas, 0 nays 1 pnv

JUN 01 1997

Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote
{ 26 yeas, 0 nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
{ _____ yeas, _____ nays